



THE SECRETARY OF TRANSPORTATION  
WASHINGTON DC 20590

April 20, 2011

The Honorable John L. Mica  
Chairman, Committee on Transportation  
and Infrastructure  
U.S. House of Representatives  
Washington, DC 20515

Dear Mr. Chairman:

Pursuant to the Air Transportation Safety and System Stabilization Act, Public Law 107-42, I am submitting the enclosed report. The Stabilization Act directs the President to prepare a report on the financial status of the air carrier industry and the amounts of assistance provided under the Stabilization Act to each air carrier.

In April 2002, the U.S. Department of Transportation submitted an interim report, which has since been supplemented by 15 quarterly reports. These reports updated Congress on the status of payments under the direct compensation program. The Department has now resolved all remaining issues under the compensation program, reconciled its program accounts, and can update Congress on the relevant loan guarantee program issues. Accordingly, I am submitting this final report on behalf of the President.

A similar letter has been sent to the Ranking Member of the House Committee on Transportation and Infrastructure, and the Chairmen and Ranking Members of the House and Senate Committees on Appropriations, the House and Senate Committees on the Budget, and the Senate Committee on Commerce, Science, and Transportation. If I can provide further information or assistance, please feel free to call me.

Sincerely yours,

Ray LaHood

Enclosure

## **FINAL REPORT TO CONGRESS**

### **I. Assessing the Direct Compensation and Loan Guarantee Programs**

#### **Scope of the Report**

This report is made pursuant to Section 106 of the Air Transportation Safety and System Stabilization Act, Public Law 107-42 (Stabilization Act or Act). Signed into law soon after the September 11, 2001, terrorist attacks, the Stabilization Act authorized a \$15 billion financial aid package to assist U.S. air carriers in recovering from the losses they suffered as a result of the attacks. The Act made available up to \$5 billion to compensate air carriers for their direct losses incurred as the result of Federal ground stop orders, together with any incremental losses incurred beginning on September 11 and ending on December 31, 2001. In addition, the Act authorized up to \$10 billion in Federal loan guarantees to assist in addressing the liquidity needs of qualified airlines.

Section 106 of the Act requires the President to transmit a report on the financial status of the air carrier industry and the amounts of assistance provided under the Act to each air carrier. The President is to transmit this report to the House Committees on Transportation and Infrastructure, Appropriations, and the Budget, and to the Senate Committees on Commerce, Science, and Transportation, Appropriations, and the Budget.

In April 2002, the Department submitted an interim report, which has since been supplemented by 15 quarterly reports to update Congress on the status of payments under the direct compensation program. The Department has now resolved all remaining issues under the compensation program, reconciled its program accounts, and can update Congress on relevant loan guarantee program issues. We also can advise on the current financial status of the air carrier industry, including discussion of its experience since the attacks. Accordingly, the U.S. Department of Transportation is providing this final report.

#### **Direct Compensation Program**

Within days following enactment of the legislation, the Department provided the airlines with an immediate infusion of approximately \$2.5 billion in compensation funds, an action that succeeded in stabilizing weakened carriers and helping restore air traveler confidence in the resiliency of America's aviation industry.

Ultimately, through three tranches of payments, 407 air carriers were compensated in accordance with the provisions of the Act. Payments totaled just under \$4.6 billion, of the overall \$5 billion initially made available. This amount includes payments to small carriers, including air ambulances and air tour operators, under the discretionary set-aside authority granted the Department under section 124(d) of the Aviation and Transportation Security Act, P.L. 107-71.

Interim payments made to 20 other entities, based on their certifications of eligibility and loss, were recovered in full following administrative determinations that they either were in fact not eligible or had suffered no losses compensable under the statute. Repayments in part were sought and obtained from a number of other carriers, whose certifications of expected or actual loss were not substantiated upon review by DOT staff. One cargo carrier, Evergreen International Airlines of McMinnville, Oregon, is continuing to make monthly payments in satisfaction of DOT's repayment claim. Two appeals of DOT administrative actions were taken to the United States Court of Appeals, with the Department prevailing in both. See *Federal Express Corp. et al. v. Mineta*, 373 F. 3d 112 (D.C. Cir. 2004), and *Federal Express Corp. v. Mineta*, 434 F. 3d 597 (D.C. Cir. 2006).

Balances in the account were from time to time rescinded by Congress as surplus to need. Most recently, Division K, Title I of the Consolidated Appropriations Act for 2008, P.L. 110-161, rescinded a \$22 million increment, and Division I, Title I of the Omnibus Appropriations Act, 2009, P.L. 111-8, permanently rescinded all unobligated balances remaining in the account as of the date of its enactment.

Appendix A to this Final Report is a complete list of all air carriers that received compensation under the Stabilization Act, and the amount of compensation they received.

### **Loan Guarantee Program**

The Stabilization Act established the Air Transportation Stabilization Board (ATSB) to review and decide on applications for loan guarantee assistance. The Office of Management and Budget, as required by the Stabilization Act, issued implementing regulations (14 CFR Chap. VI) that required applications for loan guarantees to be filed no later than June 28, 2002. The ATSB consisted of three voting members: the Chairman of Federal Reserve Board, the Secretary of the Treasury, and the Secretary of Transportation, or their designees. The Comptroller General was a non-voting member of the ATSB. The ATSB hired an executive director, a staff, and industry and financial consultants to assist in processing loan guarantee applications. Representatives from the Federal agencies assisted the ATSB staff.

The ATSB was authorized to grant as much as \$10 billion for the ATSB loan guarantees. Appendix B shows a list of the sixteen loan guarantee applicants. They included a range of large airlines, low-fare carriers, small airlines, charter carriers, and cargo carriers. The ATSB approved and closed on six loan guarantee applications: America West, ATA Airlines (formerly known as American Trans Air), Aloha Airlines, Frontier Airlines, US Airways, and World Airways. Also, Evergreen Airlines received conditional approval for a loan guarantee not to exceed \$90 million, but the carrier subsequently withdrew its application after it received a private loan. The ATSB denied eight applications.

The ATSB guaranteed \$1,558,600,000 in loans for the six airlines that were approved for Federal loan guarantees and the loans closed. The uncommitted balance of the ATSB's loan guarantee authority was \$8,441,400,000. There are no funds currently available for loan guarantees since the regulatory deadline for applying for loan guarantees has passed (June 28, 2002) and no additional loan guarantees can be issued under the program. The Consolidated Appropriations

Act of 2008 (P.L. 110-161, Division D, Title I) rescinded the unobligated balance of loan guarantee funds.

Five of the six guaranteed loans were fully repaid by the carriers, and only the ATA loan guarantee had to be exercised. On October 26, 2004, ATA filed to reorganize in bankruptcy under Chapter 11 of the Bankruptcy Code, an action that constituted a default under the ATA guaranteed loan agreement. On February 4, 2005, the ATSB paid approximately \$125 million, the outstanding balance of principal and interest on the Tranche A of the loan, which the ATSB had guaranteed. ATA emerged from bankruptcy protection on February 28, 2006, with a balance outstanding of \$85.7 million as a result of the bankruptcy court's reinstatement of the ATSB's secured claim. The ATSB also held equity in ATA as compensation for the ATSB's unsecured claim.

The guarantees represented 90 percent or less of the total loan amounts, with the balance of the risk assumed by private sources. In evaluating loan guarantee applications, the ATSB applied the standards set forth in the Act and its regulations. To be eligible for a loan guarantee, an air carrier had to demonstrate that it suffered losses as a result of September 11, credit was not reasonably available to the air carrier, the intended obligation by the air carrier was prudently incurred, and the loan was a necessary part of maintaining a safe, efficient, and viable commercial aviation system in the United States.

The Act also provided that, to the extent feasible and practicable, the government should be compensated for the risk of extending loan guarantees. The ATSB strived to ensure that the government was compensated for the risk assumed in making the guarantees through fees and stock warrants. The six ATSB borrowers paid more than \$240 million in fees (approximately \$130 million in guarantee fees and \$110 million in interest) to the government. The ATSB also obtained stock warrants from the six air carriers to allow the government to participate in their financial success. For those carriers, the warrants represented between 10 and 33 percent of each company's equity. When sold, the warrants produced a return of \$142.6 million.

The following chart summarizes carrier-by-carrier data for the six ATSB loan guarantees:

## Air Transportation Stabilization Board Loans and Recoveries

(Dollars in millions)

<u>Airline</u>	<u>Loan Origination Date</u>	<u>Loan Amount</u>	<u>Guarantee Amount</u>	<u>Guarantee Percentage</u>	<u>Guarantee Fees and Interest</u>	<u>Proceeds of Warrant Sales</u>	<u>Loan Guarantee Payout</u>	<u>Loan Repayment</u>	<u>Net Proceeds to ATSB</u>
America West	1/18/2002	\$ 429.0	\$ 379.6	87.8%	\$ 103.2	\$ 111.7	n/a	n/a	214.9
ATA	11/20/2002	168.0	148.5	88.4%	37.9	a/	(125.0)	97.2	10.1
Aloha	12/23/2002	45.0	40.5	90.0%	4.3	a/	n/a	n/a	4.3
Frontier	2/14/2003	70.0	63.0	90.0%	1.9	6.6	n/a	n/a	8.5
US Airways	3/31/2003	1,000.0	900.0	90.0%	89.9	a/	n/a	n/a	89.9
World Airways	12/30/2003	<u>30.0</u>	<u>27.0</u>	<u>90.0%</u>	<u>3.1</u>	<u>24.3</u>	<u>n/a</u>	<u>n/a</u>	<u>27.4</u>
Total		\$ 1,742.0	\$ 1,558.6	89.47%	\$240.3	\$ 142.6	\$ (125.0)	\$ 97.2	\$ 355.1

a/ The warrants originally issued in conjunction with these loans were canceled in bankruptcy proceedings.

ATSB Expenses (includes outside counsel and financial consultants)	(20.6)
Reimbursed Legal Fees from ATA, Aloha, and US Airways Bankruptcies	4.3
<b>Net Recovery Proceeds to ATSB</b>	<b>\$ 338.8</b>

### Summary of Program Results

- Immediately after September 11, the financial markets could not judge the industry's risk and, therefore, could not price loans to airlines. As a result, the financial markets simply stopped lending to airlines. When further terrorist attacks did not materialize, lenders became more willing to resume loans to the airlines in the summer of 2002.
- The ATSB provided needed liquidity to the airline industry when normal private channels of liquidity were unavailable. Pursuant to the Stabilization Act, loan guarantees were provided to carriers whose business plans could support repayment of the guaranteed loans.
- During the loan periods, the carriers paid guarantee fees and interest quarterly. Loan repayments and warrant sales occurred at various times.
- The ATSB officially terminated on December 26, 2007, when the President signed H.R. 2764, the Consolidated Appropriations Act of 2008 (P.L. 110-161, Division D, Title I). Under that Act, the ATSB's termination was achieved by repealing section 40101(a)(1) of the Stabilization Act. With the rescinded authorizing legislation, the remaining uncommitted or unobligated loan guarantee balance (\$8,441,400,000) was also rescinded.
- Some critics of the loan guarantee program claimed that the program would inhibit a necessary industry restructuring. To the contrary, the ATSB provided an environment and framework for

an orderly industry restructuring. The applicants had to provide a viable business plan before the ATSB would approve a loan guarantee. These business plans typically included reductions in capacity given the lower industry demand following the terrorist attacks.

- When three of the carriers with loan guarantees filed for bankruptcy under Chapter 11, the ATSB worked with the carriers, lenders and other creditors to develop viable business plans with reduced capacity and provided essential exit financing to make the plans work.
- The government recovered a net of \$338.8 million from the carriers as a result of the ATSB's activities.

## **II. Assessing the Financial Position of the Airline Industry**

### **Background**

During 2001, even before 9/11, there was a slowdown in the U.S. economy that was affecting the airlines' operating and financial results. Airline industry real yields were down, operating revenues were down, traffic was down, and operating expenses were up. Beginning in March 2001, business traffic slowed year-over-year and continued to decline at an accelerated pace through late summer 2001. However serious these conditions were, they paled in significance compared to the impacts of the terrorist attacks of September 11.

Those events severely damaged the economic viability of the U.S. airline industry. U.S. airspace was shut down for two days, and aircraft operations were severely curtailed for weeks thereafter. Crisis spread to the industry's liquidity, and a hundred thousand airline employees were furloughed. The Stabilization Act, enacted into law just eleven days after the attacks, provided an immediate infusion of cash that enabled many carriers to stave off illiquidity or possible bankruptcy, and provided funding for security measures that were instrumental in restoring public confidence in the domestic air transportation system. In addition, access to financial markets for many carriers was made again feasible through the loan guarantee provision of the Act.

Although the Stabilization Act was instrumental in enabling the industry to regain its balance, the airline industry's recovery from the effects of September 11 was hindered for the balance of the decade by the SARS epidemic, volatility in fuel prices, Iraq war, avian and swine flu pandemics, and general economic downturn, and various sectors of the economy remain fragile today.

Since 2001, there have only been three profitable years: 2006, 2007, and 2010. After showing steady improvements from the post-9/11 recovery period through 2007, fuel prices began to rise sharply and the U.S. economy was struck by a severe recession, resulting in large losses for many air carriers. They offered fewer seats to passengers, measured by available seat miles, in the first quarter of 2009 than any other first quarter in more than a decade. In the last decade, the industry's overall operating losses have totaled \$2.3 billion, while total net losses have totaled \$56.8 billion (through June 2010, see Appendix H.) At least thirteen airlines have filed for bankruptcy. Although there are signs that traffic levels have been slowly recovering, the airlines have curbed capacity and furloughed more than 158,000 full-time jobs since employment peaked in 2001.

### **Major Airlines (annual revenues over \$1 billion)**

For the 12 months ended June 2010, the 16 major passenger and all-cargo airlines combined reported total operating revenues of \$146.3 billion, an increase of over 17 percent from the 12 months ended June 2009. The majors collectively experienced an operating profit of \$5.2 billion, an improvement of \$7.2 billion from the loss a year earlier. The majors also reported a net profit of \$760 million, gaining \$10.7 billion from the \$9.9 billion loss in the same period a year earlier (see Appendix D). This was the first 12 month ended net profit since December 2007. The 14 passenger majors, as a group, reported a \$3.69 billion operating profit, while the two all-cargo majors combined had an operating profit of \$1.51 billion. (Appendix C.) Twelve of the passenger majors reported an

operating profit for the current 12 month period while ten passenger majors reported a net profit. Both all-cargo carriers reported an operating and net profit for the period. (Appendices C and D.)

While many major passenger carriers have been slow to add seat capacity, traffic demand continues to increase, resulting in rising passenger yields and leading to year-to-year improvements in quarterly operating and net results. As a group the passenger majors reported an operating profit of \$3.04 billion for the second quarter 2010, a gain of \$2.75 billion from the second quarter 2009. (Appendix C.) Net results improved \$2.06 billion from the year ago loss to a positive \$1.5 billion profit. The major all-cargo carriers reported a \$296.7 million improvement in operating profit to a positive \$408.3 million. Net results gained \$488.6 million to a profit of \$302.5 million. (Appendix D.) For all majors, operating revenues were \$40.1 billion, rising 17.4 percent from the second quarter 2009. (Appendix G.) Operating revenues for the passenger majors rose 5.6 percent to \$120.1 billion and for the all-cargo majors increased 5.94 percent to \$26.3 billion. (Appendix G.) Revenue passenger-miles (passenger traffic) gained 2.7 percent, while available seat-miles (capacity) rose a lesser 0.3 percent, resulting in the passenger load factor gaining 2 percentage points to 83.9 percent. Passenger yield rose 10.8 percent.

#### **National Airlines-Passenger (annual revenues between \$100 million and less than \$1 billion)**

There are 17 national passenger airlines reporting data to the Department. The passenger nationals together reported operating revenues of \$9.2 billion for the 12 months ended June 2010, a decrease of 5.1 percent from comparable data the year earlier. (See Appendix H.) For the period, the group reported an operating profit of \$560.4 million, but net results fell back into the red to a \$30.1 million loss.

(Appendix H.) For the second quarter 2010, the nationals had operating revenues of \$2.36 billion, a gain of 2.7 percent from the second quarter 2009. In the quarter the nationals reported an operating profit of \$107.8 million, but experienced a net loss of \$327.9 million. Twelve passenger national carriers reported an operating profit for the second quarter 2010, while nine posted a net profit. (See Appendices F and G.)

In sum, the majors and nationals combined reported a total operating profit of almost \$5.8 billion and managed a net profit of \$730 million for the 12 months ended June 2010. (See Appendix H.) For the second quarter 2010 alone, the two groups combined experienced an operating profit of \$3.55 billion and a net profit of \$1.47 billion, improvements of \$2.9 billion and \$2.1 billion, respectively, from the second quarter 2009. (See Appendices C, D, E, and F.)

#### **Overall Posture of the Industry**

Annual spending on domestic airline travel as a percent of the gross domestic product has declined from 0.74 percent between 1990 and 2000 to 0.57 percent during the past decade. Thus, on a relative basis there is less spending on domestic travel. It remains unclear whether this situation will revert to levels that existed during the previous decade.

Further, because of their higher cost structures, the legacy airlines (such as American, Continental, Delta, and Northwest) have been trying to compete effectively with the younger low-cost airlines (such as AirTran, JetBlue and Southwest). Twenty years ago the legacy airlines carried over



95 percent of the domestic U.S. passenger traffic. The legacy carriers have reduced their costs but not quickly enough, and consequently they have been losing operating revenue and market share of traffic to the low-cost airlines, which are carrying an ever-increasing share of the domestic passengers (now attaining over 31 percent of total domestic operating revenues and carrying over 37 percent of total domestic scheduled revenue passenger-miles). (See Appendix I.) The legacy carriers have responded by focusing on increasing their international services. International revenue as a percentage of their total system revenues has nearly doubled since 2000, rising from 24% to 41% according to data filed with the Department.

The industry has essentially recovered from the negative shocks of September 11 and the economic downturn of much of the last decade. Nonetheless, U.S. airlines remain concerned about the prospect of volatile oil prices and expected higher labor costs in the future. During the past decade, the airlines removed less efficient aircraft from their fleets. Average industry load factors have grown steadily since deregulation and exceeded 83 percent in the second quarter 2010. The large legacy airlines will likely maintain tight control over future expansion plans to avoid excess capacity. High oil prices also could force airlines to curb growth plans. The industry has consolidated through a number of mergers (*e.g.*, US Airways-America West, Delta-Northwest, and United-Continental), although it remains competitive. Additionally, Southwest Airlines is now proposing to acquire another low-cost airline, AirTran. While the airline industry is constantly evolving, it is more financially stable today than it was ten years ago.

**PAYMENTS TO AIR CARRIERS UNDER SECTION 101 OF THE  
AIR TRANSPORTATION SAFETY AND SYSTEM STABILIZATION ACT OF 2001**

*Total Payments*    \$4,599,571,641.70

*Total Carriers Receiving Compensation*

407

## Appendix A

<i>Carrier Name</i>	<i>Total Payments</i>
40-MILE AIR, LTD.	\$24,654.80
A B FLIGHT SERVICES INC	\$11,041.90
ABC CHARTERS, INC	\$212,760.00
ABLE JETS, INC.	\$198,084.30
ABOVE IT ALL, INC.	\$40,915.20
ADDISON EXPRESS L L C	\$51,124.00
ADVENTURE TOURS USA, INC	\$1,949,802.00
AERODYNAMICS INC	\$70,132.40
AEROJET INC	\$26,231.00
AIR ALPHA INC.	\$9,628.30
AIR AMBULANCE CARE FLIGHT	\$130,767.90
AIR AMERICA JET CHARTER INC	\$43,749.40
AIR AMERICA, INC.	\$7,921.50
AIR BORINQUEN	\$8,733.70
AIR BRIDGE, INC.	\$149,785.20
AIR CARGO CARRIERS INC	\$66,041.60
AIR CARGO EXPRESS	\$52,435.20
AIR CHARTER ASSOCIATES INC	\$54,358.70
AIR CHARTER EXPRESS	\$22,489.20
AIR CHARTER, INC. DBA AIR FLAMENCO	\$56,762.40
AIR EXEC INC	\$29,613.40
AIR FLIGHT INC	\$14,742.40
AIR GRAND CANYON, INC.	\$15,708.60
AIR GRECO, INC. DBA WINGS AIR CHARTER	\$1,903.20
AIR JUNEAU INC.	\$1,872.50
AIR LOGISTICS LLC	\$521,697.30
AIR MIDWEST, INC.	\$2,259,520.60
AIR ORLANDO CHARTER INC	\$5,042.10
AIR SERVICE, INC.	\$29,943.50
AIR SERVICES INC	\$33,746.30
AIR STAR HELICOPTERS	\$50,321.20
AIR TAHOMA INC	\$38,172.60
AIR TAXI, INC.	\$8,634.30
AIR TRANSPORT INC	\$57,647.60
AIR WISCONSIN AIRLINES CORP.	\$8,556,017.00
AIRBORNE EXPRESS	\$11,444,000.00
AIRCAM NATIONAL HELICOPTER SERVICES INC	\$17,529.00
AIR-SERV. INC.	\$102,659.60
AIRSPEED AVIATION INC	\$17,832.40
AIRTRAN AIRWAYS, INC.	\$29,591,951.10
ALADDIN AIR SERVICES INC	\$5,981.70
ALASKA AIR FOWARDING, INC	\$23,334.70
ALASKA AIRLINES, INC.	\$71,823,665.00
ALASKA JUNEAU AERONAUTICS, INC.	\$154,623.10
ALASKA SEAPLANE SERVICE	\$16,650.20
ALASKA SKYWAYS INC	\$15,963.70
ALEXAIR	\$47,206.50
ALLEGHENY AIRLINES, INC.	\$3,598,595.30
ALLEGIANT AIR, INC.	\$896,020.00

## Appendix A

ALOHA AIRLINES, INC.	\$8,520,615.70
ALOHA ISLANDAIR, INC.	\$553,787.90
ALPINE AIR, INC.	\$21,222.60
ALPINE AVIATION INC	\$82,644.30
ALPINE HELICOPTERS INC	\$36,086.40
AMELIA AIRWAYS, INC.	\$38,646.00
AMERICA WEST AIRLINES, INC.	\$116,712,000.00
AMERICAN AIRLINES, INC.	\$693,975,255.00
AMERICAN CHECK TRANSPORT INC	\$25,265.20
AMERICAN EAGLE AIRLINES, INC.	\$25,528,206.50
AMERICAN JET CHARTER INC.	\$8,636.70
AMERICAN TRANS AIR, INC.	\$50,096,716.00
AMERICAN WEST WORLDWIDE EXPRESS, INC.	\$11,277.10
AMERIFLIGHT INC.	\$112,465.00
AMERIJET INTERNATIONAL, INC.	\$1,019,311.10
AMERISTAR AIR CARGO INC.	\$52,576.90
AMERISTAR JET CHARTER, INC.	\$55,908.60
ANALAR CORP.	\$13,461.30
ANOKA AIR CHARTER INC	\$42,338.00
ANTILLAS AIR	\$530,104.50
ARCTIC CIRCLE AIR SERVICE, INC.	\$6,517.30
ARROW AIR, INC.	\$4,761,905.00
ARROW WEST AVIATION, INC.	\$9,037.90
ASPEN BASE OPERATION INC	\$94,496.70
ASSOCIATED AIRCRAFT GROUP	\$99,661.90
ASTRAL AVIATION, INC. D/B/A SKYWAY AIRLINES	\$1,551,524.20
ATLANTIC COAST AIRLINES, INC.	\$10,654,997.00
ATLANTIC SOUTHEAST AIRLINES, INC.	\$17,279,510.90
ATLAS AIR, INC.	\$24,190,595.00
AVBASE AVIATION	\$65,551.50
AVI, INC.	\$553,405.20
AVIATION ENTERPRISES UNLIMITED, INC.	\$47,350.60
AVIATION VENTURES INC	\$697,104.00
AZALEA AVIATION INC	\$2,108.00
B AND C FLIGHT MANAGEMENT INC	\$117,816.70
BANKAIR INC.	\$65,095.10
BAX GLOBAL INC.	\$5,921,667.00
BEACON AVIATION	\$714.00
BEL AIR TRANSPORT SERVICES	\$31,226.00
BEMIDJI AVIATION SERVICES, INC.	\$78,444.10
BERING AIR INC.	\$378,617.80
BERRY AVIATION INC	\$332,153.20
BIG SKY TRANSPORTATION CO.	\$451,490.30
BIGHORN AIRWAYS, INC.	\$20,499.10
BILL LAW AVIATION	\$9,873.30
BRAVO AVIATION INC	\$8,171.10
BUSINESS AIR INC. D/B/A/ AIRNOW	\$10,989.70
BUSINESS JET SERVICES LTD	\$23,990.90
BYERLY AVIATION, INC.	\$19,025.90
C&T CHARTERS LLC	\$369,307.20
CAPE AIR	\$882,947.50

## Appendix A

CAPE SMYTHE AIR SERVICE INC	\$92,393.70
CAPITAL CARGO INTERNATIONAL AIRLINES, INC.	\$933,916.00
CARVER AERO INC	\$36,342.80
CASINO EXPRESS	\$678,000.20
CAVALRY EXPRESS, INC.	\$30,822.00
CCAIR, INC.	\$930,127.90
CENTRAL AIR SOUTHWEST	\$18,243.60
CHAMPLAIN ENTERPRISES, INC.	\$623,754.30
CHAUTAUQUA AIRLINES, INC.	\$7,485,742.00
CHICAGO EXPRESS AIRLINES, INC. (NEW CODE CGE)	\$519,386.20
CHIPOLA AVIATION, INC.	\$13,126.00
CLASSIC HELICOPTER SERVICE	\$18,402.60
COLGAN AIR, INC.	\$1,090,225.50
COLUMBIA AIR LLC	\$13,447.40
COLUMBIA HELICOPTERS, INC.	\$79,277.60
COLVIN AVIATION INC	\$489,088.70
COMAIR, INC.	\$14,799,277.20
CONTINENTAL AIRLINES, INC.	\$361,472,521.90
CONTINENTAL MICRONESIA, INC.	\$18,614,191.00
CONYAN AVIATION INC	\$56,772.30
CORPORATE AIR	\$20,819.00
CORPORATE AIRLINES, INC.	\$528,520.10
CORPORATE FLIGHT INC	\$44,323.20
CROW EXECUTIVE AIR INC	\$49,097.90
CUBA TRAVEL SERVICES, INC - MIAMI	\$345,085.60
CUSTOM AIR TRANSPORT, INC.	\$180,705.10
DAWN E. FOSTER DBA CIRCLE AIR	\$5,635.00
DAYSTAR AIRWAYS, LTD.	\$42,928.80
DELTA AIR LINES, INC.	\$635,733,978.50
DHL AIRWAYS, INC.	\$4,860,962.00
DISCOVER AIR INC.	\$74,550.90
DONALD A. BYRNE DBA CHATHAM AIR	\$5,927.10
DUBOIS COUNTY FLIGHT SERVICES, INC.	\$11,623.40
DURANGO AIR SERVICE INC	\$1,899.30
EAGLE CANYON AIRLINES, INC.	\$1,359,338.30
EAGLE GLOBAL LOGISTICS	\$8,922,821.00
EAGLE JET CHARTER INC	\$1,067,025.60
EAST COAST AVIATION SERVICES	\$91,837.10
EDELWEISS HOLDINGS, INC.	\$35,239.00
ELLIOTT AVIATION FLIGHT SERVICES INC	\$29,411.10
ELMO AIR CENTER, INC.	\$21,712.90
EMERY AIR FREIGHT CORP.	\$19,445,105.00
ERA AVIATION, INC.	\$932,295.80
EVERGREEN INTERNATIONAL AIRLINES, INC.	\$580,000.00
EXCELAIRE SERVICE INC	\$261,224.90
EXEC AIR MONTANA INC	\$62,778.90
EXECSTAR AVIATION	\$109,629.40
EXECUTIVE AIR TAXI CORP	\$4,275.60
EXECUTIVE AIRLINES, INC.	\$3,075,516.40

## Appendix A

EXPRESS AIRLINES I, INC.	\$5,491,588.70
EXPRESS ONE INTERNATIONAL, INC.	\$520,592.30
EXPRESS.NET AIRLINES, LLC	\$2,448,058.30
EXPRESSJET AIRLINES, INC.	\$25,440,945.70
F.S. AIR SERVICE, INC.	\$8,516.20
FALCON AIR EXPRESS, INC.	\$4,255,002.20
FEDERAL EXPRESS CORPORATION	\$71,858,231.00
FLIGHTSERV.COM	\$262,666.00
FLORIDA WEST INTERNATIONAL AIRWAYS, INC.	\$953,729.00
FLYING BOAT, INC.	\$245,431.40
FLYING EAGLE AVIATION	\$6,597.70
FRANCE FLYING SERVICE INC.	\$21,958.90
FREIGHT RUNNERS EXPRESS INC	\$14,146.80
FRITZ COMPANIES, INC.	\$1,149,875.00
FRONTIER AIRLINES, INC.	\$16,703,007.00
FRONTIER FLYING SERVICE, INC.	\$501,799.60
GASPER, EDWARD J JR	\$137.80
GEMINI AIR CARGO, INC.	\$15,907,499.00
GENAVCO CORP.	\$2,766.10
GLOBAL AIR CHARTER INC	\$332,518.00
GOLDEN AIRLINES	\$55,049.40
GRAND CANYON AIRLINES	\$87,605.50
GRAND CANYON HELICOPTERS	\$453,588.90
GRAND HOLDINGS, INC.	\$5,211,201.00
GRANDE AIR EXPRESS	\$41,781.40
GRANT AVIATION, INC.	\$77,050.60
GREAT LAKES AVIATION, LTD.	\$1,968,766.10
GREAT WESTERN AVIATION INC	\$24,208.90
GULF & CARIBBEAN CARGO	\$20,998.00
GULF ATLANTIC AIRWAYS INC	\$10,579.00
GULFSTREAM INT'L AIRLINES, INC.	\$1,017,844.00
GWV INTERNATIONAL	\$321,196.00
HARRAH'S LAUGHLIN INC	\$359,549.00
HARRISBURG JET CENTER INC.	\$41,118.90
HAWAII HELICOPTERS INC.	\$82,956.00
HAWAIIAN AIRLINES, INC.	\$30,100,000.10
HELI USA AIRWAYS	\$717,132.50
HELICOPTER CONSULTANTS OF MAUI	\$288,693.80
HELICOPTER FLIGHT SERVICES INC	\$71,438.40
HELICOPTERS, INC.	\$87,739.70
HELIDEL HELICOPTERS, INC.	\$4,250.90
HOMER AIR, INC.	\$12,737.40
HOPI COPTERS INC.	\$8,636.30
HORIZON AIR INDUSTRIES, INC.	\$10,030,500.00
HORTMONT AVIATION SERVICES INC.	\$65,510.30
HUMMINGBIRD HELICOPTER SERVICE LLC	\$8,866.20
IBC AIRWAYS	\$4,776.50
IFL GROUP, INC.	\$42,911.80
ILIAMNA AIR GUIDES INC	\$6,197.60
IMAGE AIR OF SOUTHWEST FLORIDA	\$40,133.50
INDUSTRIAL HELICOPTERS INC	\$24,924.10

## Appendix A

INFLIGHT CORPORATION	\$2,963.80
INTERNATIONAL AIR SERVICES	\$10,796.00
ISLA NENA AIR SERVICE INC	\$65,756.30
ISLAND AIR CHARTERS, INC.	\$27,739.50
ISLAND EXPRESS HELICOPTERS INC.	\$63,579.90
JACK HARTER HELICOPTERS INC	\$94,095.40
JAMES B. SAYERS	\$7,770.20
JET AIR INC	\$34,127.60
JET CENTER INC	\$17,209.90
JETBLUE AIRWAYS CORPORATION	\$19,112,233.70
JOE SCHUSTER - SPORTSMAN'S AIR SERVICE	\$4,098.80
K & S HELICOPTERS	\$21,415.00
KALITTA AIR, LLC	\$349,199.10
KANSAS AIR CENTER INC	\$6,235.20
KENAI AIR HAWAII INC.	\$88,351.20
KENMORE AIR HARBOR INC	\$109,219.20
KEY LIME AIR	\$5,973.00
KEYSTONE AVIATION LLC	\$90,955.30
KEYSTONE HELICOPTER CORP.	\$106,997.70
KING AIRLINES INC	\$19,201.10
KINGSLAND AIR INC.	\$2,231.20
L. WAYNE WALKER DBA WALKER AVIATION SERVICE	\$3,071.50
L.A.B. FLYING SERVICE INC.	\$68,024.40
LAKE AND PENINSULA AIRLINES INC	\$38,447.20
LAKE MEAD AIR, INC	\$107,367.60
LAKELAND AIR TRANSPORT INC.	\$5,892.30
LARRY'S FLYING SERVICE, INC.	\$109,487.70
LIBERTY HELICOPTERS	\$477,027.50
LIFEFLIGHT OF MAINE	\$54,121.90
LONE STAR OVERNIGHT LP	\$69,517.20
LYNX AIR INTERNATIONAL, INC.	\$53,665.50
M & N AVIATION INC.	\$133,703.60
MAC DAN AVIATION CORPORATION	\$22,842.10
MANNA FREIGHT SYSTEMS, INC.	\$12,243.80
MARC FRUCHTER AVIATION INC	\$95,656.90
MARCARE AVIATION	\$13,720.00
MARTINAIRE, INC.	\$80,197.90
MASON, RON DBA KUGEL AIR FLIGHT SERVICE	\$41,488.80
MAUI ISLAND AIR INC	\$23,366.80
MAVERICK HELICOPTERS	\$168,419.10
MAYO AVIATION	\$43,433.80
MCMAHON HELICOPTER SERVICES, INC.	\$68,037.00
MCNEELY CHARTER SERVICE	\$8,472.30
MEDJET INTERNATIONAL INC	\$117,537.60
MED-TRANS CORPORATION	\$92,168.60
MEMPHIS EAST AVIATION	\$3,478.50
MER LEASING CORP. D/B/A ISLAND EXPRESS	\$1,425.50
MERLIN AIRWAYS, INC.	\$52,186.60
MESA AIRLINES, INC.	\$7,892,380.30

## Appendix A

MESABA AVIATION, INC.	\$12,757,500.40
MIAMI AIR INTERNATIONAL, INC.	\$2,986,923.90
MIAMI INTERNATIONAL CHARTERS LLC	\$75,385.70
MID-ATLANTIC FREIGHT INC	\$24,065.00
MIDWAY AIRLINES CORP.	\$12,120,994.60
MIDWEST AVIATION SERVICES INC	\$9,463.50
MIDWEST CORPORATE AVIATION INC	\$38,316.60
MIDWEST EXPRESS AIRLINES, INC.	\$15,065,551.00
MONARCH AVIATION, INC.	\$2,450.30
MOORE'S FLYING SERVICE	\$5,466.30
MOUNTAIN AIR, INC.	\$15,750.00
MULTI-AERO INC	\$11,381.00
MURRAY AVIATION INC	\$3,585.30
NASHVILLE JET CHARTERS, INC.	\$122,280.60
NATIONAL AIRLINES, INC.	\$21,533,478.30
NATURES DESIGNS INC	\$22,106.60
NAVAIR INC.	\$985.00
NEW YORK HELICOPTER CHARTER, INC.	\$46,238.80
NORD AVIATION INC	\$952.80
NORTH AMERICAN AIRLINES, INC.	\$2,930,563.20
NORTHERN AIR CARGO, INC.	\$389,482.80
NORTHERN COLORADO AIR CHARTER INC	\$14,149.70
NORTHERN FLIGHTS INC	\$6,666.90
NORTH-SOUTH AIRWAYS INC	\$182,741.60
NORTHWEST AIRLINES, INC.	\$428,088,201.00
OCAAS L L C	\$44,177.60
OGDEN FLIGHT SERVICES GROUP, INC.	\$35,198.80
OHANA AVIATION INC	\$85,752.00
OKLAHOMA EXECUTIVE JET CHARTER, INC.	\$51,187.40
OMNI AIR INTERNATIONAL, INC.	\$4,688,986.60
OUACHITA AVIATION, INC.	\$7,088.00
OZARK AIR LINES, INC.	\$1,434,052.80
PACE AIRLINES, INC.	\$395,139.10
PACIFIC AIRWAYS INC	\$94,608.90
PACIFIC ISLAND AVIATION, INC.	\$361,332.00
PACIFIC WINGS, L.L.C.	\$2,679.20
PAK WEST AIRLINES	\$33,407.30
PAN AMERICAN AIRWAYS CORP.	\$2,394,440.20
PARADISE CITY AVIATION	\$7,018.40
PARAGON AIR EXPRESS INC	\$6,032.00
PENINSULA AIRWAYS INC	\$231,365.00
PETROLEUM HELICOPTERS INC	\$695,563.80
PIEDMONT AIRLINES, INC.	\$4,772,146.70
PIEDMONT HAWTHORNE AVIATION	\$47,006.10
PLANET AIRWAYS, INC.	\$1,357,285.90
POMPANO HELICOPTERS INC.	\$133,438.10
POTOMAC AIR, INC.	\$677,332.90
PRECISION HELICOPTER SERVICES INC	\$10,746.60

## Appendix A

PRESIDENTIAL AIRWAYS DBA/ STI AVIATION	\$111,764.60
PRIMAC COURIER INC	\$59,381.50
PRIOR AVIATION SERVICE INC.	\$9,608.00
PRISM HELICOPTERS, INC.	\$44,709.40
PRO FLIGHT CENTER	\$29,099.40
PROFESSIONAL AIR CHARTER INC	\$12,951.90
PROJET INTERNATIONAL EXPRESS INC	\$4,918.50
PROMECH, INC.	\$151,962.70
PSA AIRLINES	\$2,419,777.60
QUICKSILVER AIR INC	\$4,387.50
QUODDY AIR	\$5,264.60
REDEMPTION, INC.	\$152,646.40
RELIANT AIRLINES, INC.	\$127,459.30
RHINELANDER FLYING SERVICE INC	\$12,661.40
RIFTON MANAGEMENT LLC	\$161,704.60
RILEY AIR CHARTERS	\$4,619.00
RILEY AVIATION INC.	\$109,731.20
ROCKY MOUNTAIN HOLDINGS L L C	\$652,384.30
ROTOR WING INC	\$22,405.70
ROTORCRAFT LEASING COMPANY LLC	\$336,433.20
ROYAL AIR FREIGHT INC	\$60,817.90
RUSTS FLYING SERVICE INC	\$96,863.90
RYAN INTERNATIONAL AIRLINES, INC.	\$614,031.00
S & S AVIATION	\$11,915.20
SABER CARGO AIRLINES, INC.	\$21,769.80
SAFE AIR INTERNATIONAL INC	\$107,748.00
SALEM AIR CENTER INC	\$6,569.60
SALMON AIR	\$21,032.00
SAMOA AVIATION, INC.	\$84,993.00
SCG TRAVEL, INC. DBA GOLD TRANSPORTATION	\$208,211.80
SEABORNE VIRGIN ISLANDS, INC.	\$182,083.00
SEGRAVE AVIATION INC.	\$150,994.90
SERRA INTERNATIONAL, INC	\$43,356.80
SERVICIOS AEREOS PROFESIONALES, INC. DBA AIR	\$194,164.40
SEVEN BAR FLYING SERVICE INC	\$118,542.30
SHORELINE AVIATION, INC.	\$63,325.50
SHUTTLE AMERICA CORPORATION	\$1,253,589.50
SIERRA PACIFIC AIRLINES, INC.	\$913,815.00
SKY WAY ENTERPRISES, INC.	\$59,275.00
SKY WEST AIRLINES, INC.	\$12,719,269.00
SKYKNIGHT AIR SERVICES INC	\$6,148.50
SKYLANE HELICOPTERS L L C	\$6,756.40
SKYQUEST CHARTERS	\$203,680.80
SNUG HARBOR AIRWAYS	\$3,385.30
SOUND AIRCRAFT FLIGHT ENTERPRISES INC	\$10,621.50
SOUND FLIGHT INC.	\$11,683.80
SOUTHEAST AIRLINES, INC.	\$897,532.20
SOUTHEAST AIRMOTIVE CORP	\$70,607.40
SOUTHERN AIR, INC.	\$4,661,233.70



## Appendix A

SOUTHWEST AIRLINES CO.	\$282,809,739.30
SPECIAL AVIATION SYSTEMS INC	\$4,123.80
SPIRIT AIRLINES, INC.	\$22,708,614.10
SPRINGFIELD AIRCRAFT CHARTER AND SALES INC	\$16,281.70
ST. PATRICK HOSPITAL AND HEALTH SCIENCES	\$77,917.00
STERLING CORPORATION DBA	\$6,353.10
STERLING HELICOPTER	
SUBURBAN AIR FREIGHT	\$9,426.00
SUMMIT JET CORPORATION	\$127,830.90
SUN COUNTRY AIRLINES, INC.	\$9,322,489.80
SUN WEST AVIATION INC	\$30,300.70
SUNDANCE HELICOPTERS	\$279,372.00
SUNSHINE HELICOPTERS, INC.	\$217,802.80
SUPERIOR AVIATION, INC.	\$56,714.00
TACONITE AVIATION INC.	\$7,521.30
TARLTON HELICOPTERS, INC.	\$9,530.30
TATONDUK OUTFITTERS LIMITED	\$23,410.00
TECH AIR SERVICES, LLC	\$81,316.60
TELFORD AVIATION INC.	\$141,486.00
TEMSCO HELICOPTERS INC.	\$527,202.70
TEX-AIR HELICOPTERS INC	\$175,950.80
THE CHARTER GROUP, LLC	\$1,499,185.90
THE MARK TRAVEL CORPORTATION	\$972,588.00
TIFFIN AIRE INC.	\$39,591.70
TRADEWINDS AVIATION INC	\$37,261.60
TRAIL RIDGE AIR, INC.	\$22,224.40
TRANS AIR LINK CORP.	\$1,280.30
TRANS GLOBAL TOURS, LLC	\$640,637.00
TRANS STATES AIRLINES, INC.	\$3,840,519.60
TRANSMERIDIAN AIRLINES, INC.	\$1,306,645.00
TRANSNATIONAL TRAVEL D/B/A TNT VACATIONS	\$434,286.00
TROPIC AIR CHARTERS	\$16,699.20
TWA AIRLINES LLC	\$144,138,864.20
TWIN CITIES AIR SERVICE INC	\$4,446.50
TWIN TOWN LEASING COMPANY	\$45,645.20
UNITED AIR LINES, INC.	\$774,221,331.90
UNITED PARCEL SERVICE CO.	\$81,224,336.00
UNIVERSAL JET AVIATION INC.	\$212,932.80
UNIVERSITY FLIGHT SERVICES	\$96,294.40
UPS WORLDWIDE FORWARDING, INC.	\$2,307,331.00
US AIRWAYS, INC.	\$306,937,271.90
USA JET AIRLINES, INC.	\$168,596.20
VACATION TRAVEL INTERNATIONAL, INC.	\$186,886.00
VANGUARD AIRLINES, INC.	\$7,285,823.00
VEE NEAL AVIATION, INC.	\$45,043.60
VENTURE TRAVEL, LLC	\$131,622.60
VIEQUES AIR LINK, INC.	\$107,243.60
VOLARE AIR CHARTER CO.	\$3,831.60
W ENTERPRISE HELICOPTERS	\$7,216.40
WARBELOW'S AIR VENTURES, INC.	\$199,230.30

## Appendix A

WATSONVILLE EXECUTIVE CHARTER	\$2,450.80
WEST BEND AIR INC.	\$37,808.90
WEST ISLE AIR INC	\$78,613.30
WESTCOR AVIATION INC.	\$25,810.30
WIGGINS AIR CARGO INC	\$5,902.20
WIGGINS AIRWAYS INC	\$11,823.60
WINGS (ROBERT GRETZKE)	\$7,203.00
WINGS ALOFT INC	\$63,462.60
WISCONSIN AVIATION INC.	\$42,206.00
WORLD AIRWAYS, INC.	\$3,101,192.80
YUKON EAGLE AIR	\$3,512.00
ZANTOP INTERNATIONAL AIRLINES, INC.	\$14,655.20
<b>TOTAL</b>	<b>\$4,599,571,641.70</b>

### Notes:

1/ Payments shown are based on reconciliations of Federal Aviation Administration program disbursements and DOT Compensation Team/Bureau of Transportation Statistics records. Figures shown are net of any repayments.

2/ Payments made to 20 additional entities, but repaid in full following determinations of ineligibility or of lack of compensable loss, are not depicted.

3/ Discover Air, Falcon Air Express, and Mountain Air remain subject to collection actions.

4/ Excess payments of \$6,609,975, plus interest and penalties, are being repaid in monthly installments by Evergreen International Airlines

## LIST OF 16 APPLICATIONS FOR FEDERAL LOAN GUARANTEES

	Applicants	Date Filed	Loan (Millions)	Guar. Amt. (Millions)	%	Disposition/Comments
1	America West	11/13/01	\$429.0	\$379.55	88.6%	Approved 12/28/01 Closed 1/18/02
2	Frontier Flying Service	1/29/02	\$10.4	\$9.0	86.5%	No final action taken
		5/7/02	\$7.2	\$6.5	90.3%	Denied
3	Vanguard Airlines	2/4/02	\$60.0	\$55.0	91.7%	No final action taken
		4/30/02	\$15.0	\$13.5	91.0%	Denied
		6/26/02	\$40.0	\$35.0	87.5%	No final action taken
			\$8.0	\$7.5	93.75%	Denied
4	Spirit Airlines	3/28/02	\$70.0	\$63.0	90.0%	No final action taken
		5/5/02	\$60.0	\$54.0	90.0%	Denied
5	National Airlines	5/3/02	\$60.0	\$50.5	84.2%	Denied
6	US Airways	6/7/02	\$1,000.0	\$900.0	90.0%	Approved 2/11/03 Closed 3/31/03
7	ATA	6/13/02	\$168.0	\$148.5	90.0%	Approved 9/26/02 Closed 11/20/02
8	Aloha Airlines	6/28/02	\$45.0	\$40.5	90.0%	Approved 11/5/02 Closed 12/23/02
9	Frontier Airlines	6/28/02	\$70.0	\$63.0	85.0%	Approved 11/5/02 Closed 2/14/03
10	Corporate Airlines	6/28/02	\$8.0	\$8.0	100.0%	Denied
11	MEDjet International	6/28/02	\$116.4	\$116.4	100.0%	No final action taken
			\$4.35	\$3.73	87.5%	No final action taken
			\$8.8	\$7.7	87.5%	Denied
12	Evergreen Int'l Airlines	2/25/02	\$300.0	\$250.0	85.0%	No final action taken
		6/27/02	\$295.0	\$150.0	50.8%	Conditionally approved, but guarantee may not exceed \$90M. Evergreen withdrew application without closing on the loan.
13	Ozark Airlines d/b/a Great Plains Airlines	6/28/02	\$110.0 \$25.0	\$61.5 \$17.0	55.9%	Denied
14	World Airways	6/28/02	\$30.0	\$27.0	90.0%	Approved 4/23/03 Closed 12/30/03
15	Gemini Air Cargo	6/28/02	\$33.0	\$29.7	90.0%	Denied
16	United Airlines	6/24/02	\$2,000.0	\$1,800.0 \$1,600.0	90.0% 80%	12/4/02 Denied 6/28/04 Denied

**Comparison of Operating Profit (Loss) (\$Millions)**  
**For Individual Passenger and All-Cargo System Majors**  
**Quarterly and 12-Month Ended Periods**  
**June 2009 and 2010**

<b>Group/Carrier</b>	<b>Quarterly Data</b>			<b>12 Month Ended Data</b>		
	<b>6/2009</b>	<b>6/2010</b>	<b>\$Chg</b>	<b>6/2009</b>	<b>6/2010</b>	<b>\$Chg</b>
<b>System Passenger Majors</b>	291.3	3,039.4	2,748.1	(3,290.0)	3,693.1	6,983.1
AirTran Airways	66.2	68.2	2.1	122.6	134.4	11.8
Alaska Airlines	31.4	135.6	104.2	135.9	343.8	207.9
American Airlines	(259.4)	159.5	418.9	(967.6)	(839.3)	128.3
American Eagle Airlines	31.3	37.2	5.8	102.8	153.7	50.9
Atlantic Southeast Airlines	19.9	13.9	(6.0)	76.0	64.1	(11.9)
Comair	38.8	7.4	(31.4)	106.1	18.0	(88.1)
Continental Air Lines	(159.3)	318.5	477.8	(452.2)	284.7	736.8
Delta Air Lines 1/	(21.6)	920.6	942.1	(1,012.5)	1,321.7	2,334.2
Frontier Airlines	26.3	(0.2)	(26.4)	39.2	(3.6)	(42.8)
JetBlue Airways	64.1	94.8	30.7	193.6	266.1	72.5
SkyWest Airlines	38.1	33.9	(4.2)	131.7	133.0	1.3
Southwest Airlines	123.1	362.8	239.7	229.4	606.1	376.8
United Air Lines	172.2	524.9	352.8	(1,045.6)	831.2	1,876.9
US Airways	120.3	362.2	241.9	(949.5)	379.0	1,328.5
<b>System Cargo Majors</b>	111.6	408.3	296.7	1,275.1	1,511.4	236.2
Federal Express	31.9	354.8	322.9	977.2	1,293.0	315.8
United Parcel Service	79.7	53.5	(26.2)	297.9	218.3	(79.6)
<b>System All Majors</b>	402.8	3,447.6	3,044.8	(2,014.9)	5,204.5	7,219.3

1/ Delta Air Lines data has been retroactively adjusted to include Northwest.

Source: DOT Form 41 Reports

**Comparison of Net Income (Loss) (\$Millions)**  
**For Individual Passenger and All-Cargo System Majors**  
**Quarterly and 12-Month Ended Periods**  
**June 2009 and 2010**

Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2009	6/2010	\$Chg	6/2009	6/2010	\$Chg
<b>System Passenger Majors</b>	(555.3)	1,502.0	2,057.3	(10,066.2)	(162.0)	9,904.3
AirTran Airways	78.4	12.4	(66.1)	(118.3)	27.9	146.2
Alaska Airlines	25.7	60.3	34.6	(113.3)	167.1	280.4
American Airlines	(389.8)	(6.8)	383.0	(1,479.6)	(1,215.9)	263.7
American Eagle Airlines	(20.4)	6.4	26.8	(71.0)	11.8	82.8
Atlantic Southeast Airlines	7.0	4.4	(2.6)	22.9	22.1	(0.8)
Comair	31.0	2.8	(28.2)	40.4	(4.6)	(45.0)
Continental Air Lines	(212.9)	233.2	446.1	(850.8)	153.1	1,003.9
Delta Air Lines 1/	(311.2)	459.6	770.8	(3,533.3)	(3.1)	3,530.2
Frontier Airlines	7.2	(1.5)	(8.7)	(189.1)	262.0	451.1
JetBlue Airways	20.5	30.8	10.3	(29.3)	55.7	84.9
SkyWest Airlines	19.1	12.5	(6.6)	60.1	52.8	(7.2)
Southwest Airlines	90.7	112.2	21.5	(176.5)	222.6	399.2
United Air Lines	30.8	280.8	250.0	(2,236.7)	(71.8)	2,164.9
US Airways	68.6	295.0	226.4	(1,391.6)	158.4	1,550.0
<b>System Cargo Majors</b>	(186.1)	302.5	488.6	137.3	922.3	785.0
Federal Express	(141.5)	209.2	350.7	390.0	738.1	348.0
United Parcel Service	(44.6)	93.4	137.9	(252.7)	184.3	437.0
<b>System All Majors</b>	(741.4)	1,804.6	2,546.0	(9,928.9)	760.4	10,689.3

1/ Delta Air Lines data has been retroactively adjusted to include Northwest.

Source: DOT Form 41 Reports

# Appendix E

## Comparison of Operating Profit (Loss) For Individual Passenger Nationals Quarterly and 12-Month Ended Periods June 2009 and 2010

Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2009	6/2010	\$Chg	6/2009	6/2010	\$Chg
System Passenger Nationals	225.2	107.8	(117.5)	687.3	560.4	(126.9)
Air Wisconsin Airlines	15.5	12.0	(3.6)	65.8	51.4	(14.3)
Allegiant Air	33.8	22.3	(11.5)	106.1	88.5	(17.6)
Continental Micronesia	5.8	(50.0)	(55.8)	66.5	(4.7)	(71.1)
Executive Airlines	3.7	(0.8)	(4.4)	19.1	4.2	(14.9)
Expressjet Airlines	(10.2)	(8.7)	1.5	(58.7)	(48.5)	10.2
Hawaiian Airlines	32.5	24.9	(7.6)	136.2	73.5	(62.7)
Horizon Air	11.1	8.2	(2.9)	30.0	41.4	11.5
Mesa Airlines	9.0	18.7	9.7	16.5	37.6	21.1
Mesaba Airlines	10.6	3.1	(7.5)	25.8	11.4	(14.4)
North American Airlines 1/	16.8	4.5	(12.2)	44.6	21.5	(23.1)
PSA Airlines	3.5	4.4	0.9	3.5	1.5	(2.1)
Pinnacle Airlines	17.0	16.8	(0.2)	56.8	60.7	3.9
Republic Airlines	22.5	26.8	4.3	18.4	32.3	13.9
Spirit Air Lines	31.0	(2.2)	(33.2)	41.6	69.3	27.7
Sun Country Airlines d/b/a Mn Airlines	(5.4)	0.4	5.8	11.8	8.4	(3.5)
USA 3000 Airlines	(1.0)	(0.3)	0.7	8.6	(9.5)	(18.1)
USA Jet Airlines	29.0	27.6	(1.4)	94.7	121.4	26.7

1/ North American ceased scheduled operations in May 2008.

Source: DOT Form 41 Reports.

# Appendix F

## Comparison of Net Income (Loss) (\$Millions) For Individual Passenger Nationals Quarterly and 12-Month Ended Periods June 2009 and 2010

Group/Carrier	Quarterly Data			12 Month Ended Data		
	6/2009	6/2010	\$Chg	6/2009	6/2010	\$Chg
System Passenger Nationals	115.5	(327.9)	(443.4)	(228.7)	(30.1)	198.5
Air Wisconsin Airlines	10.1	8.5	(1.5)	41.8	38.3	(3.5)
Allegiant Air	33.0	21.8	(11.2)	102.0	85.1	(16.9)
Continental Micronesia	2.8	(41.4)	(44.2)	42.3	(11.1)	(53.4)
Executive Airlines	6.8	(1.0)	(7.8)	11.0	2.0	(9.0)
Expressjet Airlines	(14.9)	(20.0)	(5.1)	(67.3)	(14.9)	52.3
Hawaiian Airlines	28.2	9.9	(18.3)	48.2	78.8	30.7
Horizon Air	4.0	(0.3)	(4.3)	(36.4)	12.6	49.1
Mesa Airlines	1.0	(273.4)	(274.4)	(11.7)	(271.3)	(259.6)
Mesaba Airlines	10.3	2.6	(7.7)	24.5	9.7	(14.8)
North American Airlines 1/	7.7	0.5	(7.3)	(5.4)	2.6	8.0
PSA Airlines	2.5	3.6	1.1	(1.6)	(1.4)	0.2
Pinnacle Airlines	6.5	7.3	0.7	37.4	24.3	(13.2)
Republic Airlines	(2.9)	6.4	9.4	(448.1)	(14.6)	433.6
Spirit Air Lines	19.4	(59.3)	(78.7)	(2.0)	(2.8)	(0.9)
Sun Country Airlines d/b/a Mn Airlines	(6.5)	(0.7)	5.7	5.7	4.5	(1.2)
USA 3000 Airlines	(0.9)	(0.9)	0.0	7.8	(11.5)	(19.3)
USA Jet Airlines	8.3	8.5	0.2	23.1	39.5	16.5

1/ North American ceased scheduled operations in May 2008

Source: DOT Form 41 Reports

**Operating Profit (Loss) and Net Income (Loss) (\$Millions)**  
**By 12 Month Ended Period Between CY 2001 and June 2010**  
**For All Majors and Passenger Nationals**

	<u>12 Month Period</u>	<u>Operating Revenues</u>	<u>Operating Profit (Loss)</u>	<u>Net Income (Loss)</u>
<b>Passenger Majors</b>	CY 2001	\$86,053	(\$9,896)	(\$7,251)
	CY 2002	\$78,911	(\$9,226)	(\$11,255)
	CY 2003	\$84,862	(\$3,524)	(\$2,354)
	CY 2004	\$96,418	(\$3,127)	(\$9,315)
	CY 2005	\$108,085	(\$1,704)	(\$27,672)
	CY 2006	\$120,000	\$4,590	\$15,079
	CY 2007	\$127,023	\$6,728	\$6,480
	CY 2008	\$135,090	(\$5,641)	(\$23,820)
	CY 2009	\$113,728	\$269	(\$3,222)
	June 2010	\$120,071	\$3,693	(\$162)
<b>All Cargo Majors</b>	CY 2001	\$17,882	\$880	\$467
	CY 2002	\$18,793	\$940	\$449
	CY 2003	\$19,853	\$702	\$290
	CY 2004	\$22,068	\$1,572	\$765
	CY 2005	\$24,639	\$1,890	\$1,073
	CY 2006	\$26,639	\$2,198	\$1,297
	CY 2007	\$28,160	\$2,300	\$1,165
	CY 2008	\$30,480	\$2,064	\$950
	CY 2009	\$24,384	\$974	\$79
	June 2010	\$26,262	\$1,511	\$922



**Operating Profit (Loss) and Net Income (Loss) (\$Millions)  
By 12 Month Ended Period Between CY 2001 and June 2010  
For All Majors and Passenger Nationals (continued)**

	<u>12 Month Period</u>	<u>Operating Revenues</u>	<u>Operating Profit (Loss)</u>	<u>Net Income (Loss)</u>
<b>Passenger Nationals</b>	CY 2001	\$5,760	(\$347)	(\$244)
	CY 2002	\$5,376	(\$282)	(\$370)
	CY 2003	\$8,035	\$447	\$240
	CY 2004	\$10,307	(\$296)	(\$767)
	CY 2005	\$10,723	(\$354)	(\$993)
	CY 2006	\$10,540	\$290	\$1,382
	CY 2007	\$10,604	(\$8)	(\$44)
	CY 2008	\$10,708	\$234	(\$492)
	CY 2009	\$9,078	\$790	\$493
	July 2009-June 2010	\$9,188	\$560	(\$30)
<b>All Majors and Passenger Nationals Combined</b>	CY 2001	\$109,696	(\$9,363)	(\$7,029)
	CY 2002	\$103,080	(\$8,568)	(\$11,176)
	CY 2003	\$112,750	(\$2,374)	(\$1,824)
	CY 2004	\$128,793	(\$1,851)	(\$9,317)
	CY 2005	\$143,447	(\$167)	(\$27,593)
	CY 2006	\$157,178	\$7,078	\$17,758
	CY 2007	\$165,788	\$9,021	\$7,601
	CY 2008	\$176,278	(\$3,342)	(\$23,362)
	CY 2009	\$147,191	\$2,033	(\$2,650)
	July 2009-June 2010	\$155,521	\$5,765	\$730
<b>Overall Totals From 2001 to Current</b>		<b>\$1,323,941,828</b>	<b>(\$2,330)</b>	<b>(\$56,831)</b>

Source: DOT Form 41 Reports.

**Percent Market Share of the Legacy vs. Low Fare Passenger  
Carriers 1/ For Calendar Years 1991-2009  
And The 12 Months Ended June 2010 -- Domestic Operations**

12 Months Ended	Operating Revenue		Scheduled RPMs	
	Legacy	Low Fare	Legacy	Low Fare
1991	95.2	4.8	95.4	4.6
1992	94.3	5.7	94.4	5.6
1993	93.0	7.0	93.0	7.0
1994	91.9	8.1	91.7	8.3
1995	90.7	9.3	90.6	9.4
1996	89.3	10.7	89.6	10.4
1997	89.2	10.8	89.5	10.5
1998	87.9	12.1	88.3	11.7
1999	86.7	13.3	87.0	13.0
2000	85.5	14.5	85.5	14.5
2001	83.8	16.2	83.2	16.8
2002	81.5	18.5	80.1	19.9
2003	77.0	23.0	76.0	24.0
2004	75.5	24.5	73.6	26.4
2005	73.7	26.3	70.7	29.3
2006	72.2	27.8	67.4	32.6
2007	70.7	29.3	66.1	33.9
2008	69.4	30.6	64.7	35.3
2009	68.7	31.3	63.4	36.6
6/2010	68.8	31.2	62.7	37.3

1/ For comparison purposes, carriers are classified according to their grouping as at June 2010.

Source: DOT Form 41 Reports